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171634Z Aug 00

CONFIDENTIAL PTQ1036

PAGE 01 HARARE 04611 01 OF 03 171638Z  
ACTION AF-00

INFO	LOG-00	NP-00	AGRE-00	AID-00	ACQ-00	CEA-01	CIAE-00
	SMEC-00	CTME-00	DINT-00	DODE-00	DOEE-00	DOTE-00	SRPP-00
	DS-00	EB-00	EUR-00	EXIM-01	E-00	FAAE-00	FBIE-00
	VC-00	FRB-00	H-01	TEDE-00	INR-00	IO-00	ITC-01
	LAB-01	L-00	VCE-00	AC-01	NSAE-00	OIC-02	OMB-01
	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00	SP-00
	SSO-00	SS-00	STR-00	T-00	USIE-00	PMB-00	DSCC-00
	PRM-01	DRL-02	G-00	NFAT-00	SAS-00	SWCI-00	/013W

-----7B0632 171711Z /38

FM AMEMBASSY HARARE  
TO SECSTATE WASHDC PRIORITY 6873  
INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY THE HAGUE  
USDOC WASHDC  
NSC WASHDC  
DEPTTREAS WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 HARARE 004611

SIPDIS

STATE FOR AF, AF/S, AF/EPS, EB/IFD/ODF, EB/TPP/ODC  
TREASURY FOR ED BARBER, GRACE SONE, AND HOFFMAN BARAK  
USDOC FOR 2037/ERIC HENDERSON  
STATE PASS USTR/RWHITTAKER  
NSC FOR SENIOR AFRICA DIRECTOR GAYLE SMITH  
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PAGE 02 HARARE 04611 01 OF 03 171638Z  
LONDON FOR CHARLES GURNEY

E.O. 12958: DECL: 08/17/05  
TAGS: [PREL](#) [ECON](#) [PINR](#) [PHUM](#) [ZI](#) [EFIN](#) [EAGR](#)  
SUBJECT: NEW TRADE MINISTER MOYO IS A BREATH OF FRESH AIR

REF: HARARE 3910

CLASSIFIED BY AMBASSADOR MCDONALD, REASON 1.5 (B), (D)

SUMMARY

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1. (C) NEW INDUSTRY AND INTERNATIONAL TRADE MINISTER NKOSANA MOYO TOLD THE AMBASSADOR AUGUST 15 THAT PRESIDENT MUGABE WAS DETERMINED TO SEIZE 3,000 FARMS AND HAD NO INTENTION OF PROVIDING COMPENSATION. MOYO CLAIMED THAT MOST CABINET MEMBERS WERE IN FAVOR OF A FAIR, TRANSPARENT LAND REFORM EFFORT, AND ADMITTED THAT THE GOVERNMENT DOES NOT HAVE THE RESOURCES TO PROVIDE SIGNIFICANT ASSISTANCE TO RESETTLED FAMILIES. MOYO SHARED THE AMBASSADOR'S CONCERN ABOUT LAWLESSNESS IN THE RURAL AREAS. THE AMBASSADOR STRESSED THAT SEIZURE OF FARMS WITHOUT COMPENSATION IS ILLEGAL AND IS NEARLY ELIMINATING ANY NEW FOREIGN INVESTMENT, AND SAID THE GOVERNMENT'S ACTIONS WOULD SPEAK LOUDER THAN ITS WORDS. MOYO IS AN ACCOMPLISHED BUSINESSPERSON AND A CAPABLE POLITICAL INDEPENDENT WHO INTENDS TO WORK TO REVERSE SOME OF THE GOVERNMENT'S RUINOUS POLICIES. HE IS AN INEXPERIENCED POLITICIAN, HOWEVER, AND WE ARE SKEPTICAL THAT MUGABE WILL GIVE HIM SUFFICIENT ROOM TO MANEUVER,  
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PAGE 03 HARARE 04611 01 OF 03 171638Z  
BUT THE EMBASSY WANTS TO ASSIST HIM. END SUMMARY.

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MOYO'S OBJECTIVES  
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2. (C) AMBASSADOR MCDONALD ASKED RECENTLY-APPOINTED MINISTER OF INDUSTRY AND INTERNATIONAL TRADE NKOSANA MOYO ON AUGUST 16 WHAT HE HOPED TO ACCOMPLISH IN HIS NEW POSITION. MOYO SAID HIS PRIMARY FOCUS WOULD BE TO HELP THE ZIMBABWEAN GOVERNMENT FORGE A MORE COOPERATIVE RELATIONSHIP WITH THE PRIVATE SECTOR. HE ALSO PLANNED TO TRY TO REPAIR SOME OF ZIMBABWE'S BILATERAL AND MULTILATERAL RELATIONSHIPS.

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LAND REFORM  
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3. (C) MOYO THEN TURNED TO THE LAND QUESTION, ACKNOWLEDGING THE PROBLEM OF LAWLESSNESS ON THE FARMS.

HE TERMED THE GOVERNMENT'S PUBLIC RELATIONS EFFORT "APPALLING," AND SAID IT MUST DO A BETTER JOB OF EXPLAINING THE RATIONALE FOR ITS ACTIONS. PRESIDENT MUGABE IS SERIOUS ABOUT SEIZING 3,000 FARMS AND WANTS ALL OF THEM IDENTIFIED NOW AND RESETTLED AS SOON AS POSSIBLE. MOYO EXPRESSED HIS VIEW THAT MANY OF THESE FARMS HAD LONG BEEN IDLE, SO THEIR RESETTLEMENT WOULD NOT HAVE A SERIOUS IMPACT ON PRODUCTIVITY.

14. (C) THE AMBASSADOR NOTED THAT THE GOVERNMENT DOES NOT  
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PAGE 04 HARARE 04611 01 OF 03 171638Z  
HAVE THE NECESSARY RESOURCES FOR AN EFFECTIVE RESETTLEMENT EFFORT AND THAT SUCH AN EFFORT WOULD SUBSTANTIALLY HURT AGRICULTURAL PRODUCTION. THE FARM OCCUPATIONS, HE STRESSED, ARE ILLEGAL, HAVE BEEN TERRIBLY DISRUPTIVE, AND GIVE ZIMBABWE A BLACK EYE ABROAD. THE UNITED STATES AGREES THAT LAND REFORM IS NECESSARY AND A MATTER OF SOCIAL JUSTICE, BUT IT SHOULD BE DONE IN A FAIR, TRANSPARENT PROCESS. IN ADDITION, SEIZURES OF FARMS WITHOUT COMPENSATION WILL SOUR RENEWED DONOR SUPPORT FOR LAND REFORM. IT IS CRITICAL THAT THE GOVERNMENT ADDRESS THIS AND ITS OTHER ECONOMIC PROBLEMS SERIOUSLY, AS MORE AND MORE INDUSTRIES, INCLUDING MINING, ARE SUFFERING, AND THE PATIENCE OF THE INTERNATIONAL COMMUNITY IS WEARING THIN.

15. (C) MOYO ACKNOWLEDGED THAT THE GOVERNMENT WOULD BE UNABLE TO PROVIDE RESETTLED FAMILIES WITH SIGNIFICANT RESOURCES, BUT THOUGHT MANY WERE PEASANT FARMERS WHO WOULD BE ABLE TO LOOK AFTER THEMSELVES. HE AGREED THAT COMPENSATION WAS IMPORTANT BUT DID NOT THINK HE COULD REVERSE THE GOVERNMENT'S DETERMINATION NOT TO PAY FOR THE SEIZED FARMS. THE GOVERNMENT, MOYO ADMITTED, HAS DUG ITSELF INTO A HOLE, BUT ITS PRIDE MAKES IT DIFFICULT TO DO WHAT IS NECESSARY TO DIG ITSELF OUT. HE HOPED TO TRAVEL SOON TO LONDON TO TRY TO ESTABLISH A MORE

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CONFIDENTIAL PTQ1037

PAGE 01 HARARE 04611 02 OF 03 171639Z  
ACTION AF-00

INFO	LOG-00	NP-00	AGRE-00	AID-00	ACQ-00	CEA-01	CIAE-00
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	IRM-00	SSO-00	SS-00	STR-00	T-00	USIE-00	R-00
	PMB-00	DSCC-00	PRM-01	DRL-02	G-00	NFAT-00	SAS-00
	SWCI-00	/013W					

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P 171634Z AUG 00  
FM AMEMBASSY HARARE  
TO SECSTATE WASHDC PRIORITY 6874  
INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY THE HAGUE  
USDOC WASHDC  
NSC WASHDC  
DEPTTREAS WASHDC

C O N F I D E N T I A L SECTION 02 OF 03 HARARE 004611

SIPDIS

STATE FOR AF, AF/S, AF/EPS, EB/IFD/ODF, EB/TPP/ODC  
TREASURY FOR ED BARBER, GRACE SONE, AND HOFFMAN BARAK  
USDOC FOR 2037/ERIC HENDERSON  
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PAGE 02 HARARE 04611 02 OF 03 171639Z  
NSC FOR SENIOR AFRICA DIRECTOR GAYLE SMITH  
LONDON FOR CHARLES GURNEY

E.O. 12958: DECL: 08/17/05  
TAGS: [PREL](#) [ECON](#) [PINR](#) [PHUM](#) [ZI](#) [EFIN](#) [EAGR](#)  
SUBJECT: NEW TRADE MINISTER MOYO IS A BREATH OF FRESH AIR

CONSTRUCTIVE, BACK-CHANNEL DIALOGUE WITH BRITAIN ON LAND. (IN A ONE-ON-ONE AFTER THE FORMAL MEETING, MOYO TOLD THE AMBASSADOR THAT THESE CONTACTS WOULD ORIGINATE THROUGH STANDARD CHARTERED BANK IN THE UNITED KINGDOM, HIS PREVIOUS EMPLOYER.) WITHOUT ELABORATING, HE SAID PRESIDENT MUGABE HAD GIVEN HIM THE GREEN LIGHT TO MOVE FORWARD ON A RANGE OF KEY ISSUES.

16. (C) THE AMBASSADOR COMMENTED THAT THE GOVERNMENT HAS USED LAND REFORM AS A POLITICAL TOOL TO GARNER ELECTORAL SUPPORT. MOYO ACKNOWLEDGED THAT LAND REFORM IS A

POLITICAL ISSUE FOR SOME CABINET MEMBERS, BUT NOT FOR MUGABE, WHO PERCEIVES IT AS A CORRECTION OF AN INJUSTICE. MOYO SAID HE THOUGHT SOME POSITIVE MOVEMENT COULD BE ACHIEVED ON LAND REFORM, SINCE MOST OF THE CABINET WAS ON THE "RIGHT SIDE" OF THE ISSUE. HE THOUGHT MUGABE COULD BE CONVINCED TO TONE DOWN HIS PUBLIC RHETORIC, BUT SAID HIS MAIN CONCERN WAS WITH INFORMATION MINISTER JONATHAN MOYO, WHO CAN DO THE MOST DAMAGE. A CHANGE IN RHETORIC WOULD CERTAINLY BE HELPFUL, THE AMBASSADOR NOTED, BUT POSITIVE, CONCRETE ACTIONS WOULD SEND THE MOST POWERFUL MESSAGE. THE FUNDAMENTAL POINT, HE EMPHASIZED, WAS THAT THE RULE OF LAW MUST BE RESTORED. THE AMBASSADOR SAID THE U.S. WANTS TO HELP, BUT NOT UNDER THESE CONDITIONS.

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PAGE 03 HARARE 04611 02 OF 03 171639Z

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NEW PARLIAMENT AND MOYO'S ROLE IN CABINET  
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17. (C) ASKED FOR HIS ASSESSMENT OF THE NEW PARLIAMENT, MOYO SAID BOTH THE RULING ZANU-PF AND THE MDC ARE SHOWING "INCREDIBLE IMMATURITY," WHICH WOULD PROBABLY PREVENT HIM FROM JOINING A POLITICAL PARTY IN THE NEAR FUTURE. THE AMBASSADOR ASKED WHETHER MOYO FELT UNCOMFORTABLE AS A MEMBER OF THE CABINET, GIVEN HIS REPUTATION AS A POLITICAL INDEPENDENT (REFTEL). ON THE CONTRARY, MOYO REPLIED. HE FELT INCREDIBLE FREEDOM AND WAS NOW CONVINCED THAT NOT JOINING A POLITICAL PARTY WAS THE BEST THING HE HAD EVER DONE. HE HAD NOT BEEN REQUIRED TO JOIN ZANU-PF AND, IN FACT, HAD GIVEN A SPEECH ON ZIMBABWEAN TELEVISION AFTER HIS APPOINTMENT MAKING IT CLEAR THAT HE WAS NOT A MEMBER OF THE RULING PARTY AND EXPRESSING HIS DETERMINATION TO BE A MINISTER FOR THE COUNTRY AS A WHOLE. MANY PEOPLE SUBSEQUENTLY HAD ASKED HIM WHY HE HAD JOINED THE CABINET. HE TOLD THEM HE CONSIDERED IT HIS OBLIGATION TO DO ALL HE COULD TO PREVENT THE ZIMBABWEAN SHIP FROM SINKING.

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FINANCIAL DIFFICULTIES  
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18. (C) ASKED HOW THE GOVERNMENT PLANNED TO ADDRESS ITS SERIOUS ECONOMIC DIFFICULTIES, MOYO SAID HE IS WORKING CLOSELY WITH FINANCE MINISTER SIMBA MAKONI ON NEXT STEPS.

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PAGE 04 HARARE 04611 02 OF 03 171639Z  
IN THE NEAR TERM, THE GOVERNMENT HAD TALKED TO THE DUTCH ABOUT ACQUIRING ASSISTANCE TARGETTED AT RESETTLEMENT OF A LIMITED NUMBER OF FARMS, AS WELL AS THE FUEL AND ELECTRICITY SECTORS. IN ADDITION, THE CABINET HAD APPROVED THE MILLENIUM ECONOMIC RECOVERY PLAN THE PREVIOUS WEEK. THE PLAN SEEKS, INTER ALIA, TO REDUCE THE BUDGET DEFICIT FROM 14 TO 10 PERCENT, ESTABLISH A REALISTIC EXCHANGE RATE, DOWNSIZE THE BLOATED CIVIL SERVICE, AND RE-ESTABLISH RELATIONS WITH THE IFI'S.

19. (C) THE ECONOMIC RECOVERY PLAN, MOYO CONTINUED, ALSO STRESSED THE NEED TO BETTER "MANAGE" THE ISSUE OF TROOPS IN THE DROC. HE ASKED WHY UN TROOPS HAD NOT YET BEEN DEPLOYED THERE. MONUC DEPLOYMENT HAD NOT BEEN EXPANDED, THE AMBASSADOR EXPLAINED, BECAUSE SUFFICIENT SAFETY GUARANTEES WERE NOT IN PLACE. BEFORE SUCH A DEPLOYMENT COULD OCCUR, KABILA HAD TO MEET HIS LUSAKA ACCORDS COMMITMENTS, AND ZIMBABWE COULD PLAY A POSITIVE ROLE IN PRESSING KABILA TO DO SO, THE AMBASSADOR POINTED OUT.

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ANTI-AMERICAN RHETORIC  
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110. (C) THE AMBASSADOR EXPRESSED CONCERN ABOUT RECENT ANTI-AMERICAN STATEMENTS FROM GOVERNMENT OFFICIALS,

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CONFIDENTIAL PTQ2063

PAGE 01 HARARE 04611 03 OF 03 180009Z  
ACTION AF-00

INFO	LOG-00	NP-00	AGRE-00	AID-00	ACQ-00	CEA-01	CIAE-00
	SMEC-00	CTME-00	DINT-00	DODE-00	DOEE-00	DOTE-00	SRPP-00
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	SSO-00	SS-00	STR-00	T-00	USIE-00	PMB-00	DSCC-00
	PRM-01	DRL-02	G-00	NFAT-00	SAS-00	/013W	

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P 171634Z AUG 00  
FM AMEMBASSY HARARE  
TO SECSTATE WASHDC PRIORITY 6875

INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY  
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C O N F I D E N T I A L SECTION 03 OF 03 HARARE 004611

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PAGE 02 HARARE 04611 03 OF 03 180009Z  
LONDON FOR CHARLES GURNEY

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SUBJECT: NEW TRADE MINISTER MOYO IS A BREATH OF FRESH AIR

PROMPTED BY THE U.S. CONGRESS' ACTION ON THE ZIMBABWE  
DEMOCRACY ACT. SUCH RHETORIC WAS NOT A HELPFUL WAY TO  
CONDUCT OUR BILATERAL BUSINESS, AND HE HOPED WE COULD  
DISCUSS OUR DIFFERENCES IN A MORE LOW-KEY, PRIVATE  
MANNER. MOYO AGREED.

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COMMENT  
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11. (C) MOYO IS A WELL-REGARDED, CAPABLE FIGURE, WHOSE  
APPOINTMENT TO THE CABINET WAS A SURPRISE, GIVEN HIS  
REPUTATION AS A POLITICAL INDEPENDENT. A WELL-TO-DO  
INVESTMENT BANKER AND CLOSE CONTACT OF THE EMBASSY, MOYO  
APPEARS MOTIVATED BY A GENUINE DESIRE TO SERVE HIS  
COUNTRY AND REVERSE THE GOVERNMENT'S DISASTROUS POLICIES.  
HE IS NOT AN EXPERIENCED POLITICIAN, HOWEVER, WHICH COULD  
HINDER HIS EFFECTIVENESS, PARTICULARLY IN THE CURRENT  
TOUGH POLITICAL ENVIRONMENT. IN THE ONE-ON-ONE AFTER THE  
FORMAL MEETING, MOYO TOLD THE AMBASSADOR HE HAD NOT BEEN  
CONSULTED ABOUT THE CABINET POSITION, BUT HAD LEARNED OF  
HIS APPOINTMENT ON TELEVISION. ALTHOUGH MOYO BELIEVES HE  
HAS THE PRESIDENT'S CONFIDENCE, WE ARE SKEPTICAL THAT  
MUGABE WILL GIVE HIM THE NECESSARY MANEUVERING ROOM TO  
EFFECT A SIGNIFICANT CHANGE EITHER IN THE GOVERNMENT'S  
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PAGE 03 HARARE 04611 03 OF 03 180009Z  
HISTORICAL MISHANDLING OF THE ECONOMY OR ITS APPROACH ON  
LAND. HE HAS BEEN OUTSPOKEN, HOWEVER. THE DAY AFTER HIS  
MEETING WITH THE AMBASSADOR, MOYO REPORTEDLY TOLD THE  
CONFEDERATION OF ZIMBABWE INDUSTRIES THAT THE LAWLESSNESS  
WAS DAMAGING ZIMBABWE'S INTERNATIONAL IMAGE AND THAT  
FOREIGN INVESTMENT WAS UNLIKELY TO BE FORTHCOMING IN THE  
CURRENT ENVIRONMENT. WE DO WANT TO HELP MOYO AND WILL  
LOOK FOR WAYS TO DO SO.

MCDONALD

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